

Course: Development Economics – Macro and Finance (MA)

Part I Introduction and Basics (6 Sessions)

- 11.10.18 1. Catching-Up Process in an Open Economy
- 18.10.18 2. Integration into the World Economy
- 23.10.18 3. Original Sin and External Indebtedness
Attention: This is the alternate session for session 7 on 15 November 2018!
- 25.10.18 4. Forum for Macroeconomics and Macroeconomic Policies - Young
Scholars' Meeting
- 01.11.18 5. Exchange Rates: Fixed, Flexible or None at All?
- 08.11.18 6. The Role of Central Banks and Regulatory Authorities
- 15.11.18 Attention: No course today!

Part II Macro and Development (5 Sessions)

- 22.11.18 7. Credit Allocation and Financial Repression
- 29.11.18 8. Hyperinflation, Indexation and Dollarisation
- 06.12.18 9. Sovereign Debt Crises and Debt Restructuring
- 13.12.18 10. Banking Crises and Balance Sheet Effects
- 20.12.18 11. Currency crises and Contagion

Part III Finance and Development (5 Sessions)

- 03.01.19 12. Volatile Capital Flows and Capital Account Regulations
- 10.01.19 13. Financial Remittances, Digital Financial Services and Financial
Inclusion
- 17.01.19 14. Development of Regional Financial Markets

24.01.19	15. National and International Public Financial Institutions
31.01.19	16. Wrap-up and Outlook

Office Hours

Thursdays, 4:15-5:00 pm, room no. B 4.30

Readings

Supplementary readings and PPTs from the professor will also be available on the course website on Moodle.

Agénor, P.-R., Montiel, P.J. (2015), *Development Macroeconomics*, Princeton: Princeton University Press, fourth edition

Feenstra, R.C., Taylor, A.M. (2014), *International Economics*. New York: Worth Macmillan, third edition.

Fry, M.J. (1995), *Money, Interest, and Banking in Economic Development*. Baltimore and London: The Johns Hopkins University Press, second edition.

Meier, G.M., Rauch, J.E. (2005), *Leading Issues in Economic Development*. Oxford: OUP, eighth edition.

Valdez, S. and P. Molyneux (2013), *An Introduction to Global Financial Markets*. Houndsmill, Basingstoke / New York: Palgrave Macmillan, seventh edition.

Detailed reading list for part I-3 will be available on the course website on Moodle.

Aim of the Course

This course aims to provide students with a critical understanding of the principal theoretical approaches, historical developments and current policy debates in the field of development economics with the specialisation of macro and finance. Students will become familiar with the features, functioning and risks of financial systems in countries of the Global South in contrast to financial systems in advanced countries. Students will examine causes, channels and impacts to financial-sector related crises which compromise development efforts. In addition, students will analyse policy responses and prevailing financial sector regulation in terms of their contribution to the stabilisation of financial systems and the advancement of development and growth. Finally, they will discuss how financial sector development processes might be organised on a unilateral, regional or global level and which role financial governance might play. Invited external speakers will deliver lectures on related fields.

Teaching

The weekly class meetings (4 x 45min) should be as interactive as possible. Every week there will be an input by the professor plus Q +A. In addition students will present the major findings of a paper with subsequent discussion in subgroups and the audience.